Addressing the Accounting and Auditing Faculty Shortage: Practitioners’ Perceptions of Academia

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SUMMARY: To provide greater insight into the potential to attract practitioners into academic accounting and auditing careers, we interviewed 30 current practitioners in public accounting or industry to examine their perceptions of academic careers. We find that most interviewees have considered an academic career, and they believe that there are many important advantages of such careers. However, most interviewees see the Ph.D. as a substantial hurdle, and many question the value of the Ph.D. The interviewees significantly underestimate the typical compensation for accounting professors, and they indicate the need for very high levels of financial support in order to pursue a Ph.D. full-time. We examine implications of these findings for attracting practitioners into doctoral programs and academic careers.

INTRODUCTION

Why can someone who has a CPA and, say, 10+ years of practical experience—having reached a CFO or Partner level—not be considered fully qualified to teach and get tenure? Those people are at the top of our profession. It would be like telling Tiger Woods he is not qualified to be a golf coach because he does not have the proper education. (Perspective of a current accounting practitioner)

Many parties, such as the Treasury Department’s Advisory Committee on the Auditing Profession (ACAP 2008), have expressed concern with the shortage of terminally qualified accounting faculty, especially in auditing and tax (see Plumlee et al. 2006; Leslie 2008). Current practitioners represent a pool of potential future accounting faculty, and significant efforts are underway to attract practitioners into academic careers. For example, the Accounting Doctoral Scholars Program (ADS) provides substantial funding for accounting doctoral study to top...
candidates with auditing or tax experience and a commitment to pursuing academic careers in auditing or tax.

The literature to date primarily examines the existence of the faculty shortage (e.g., Plumlee et al. 2006) and offers insight into ways to address the shortage, including by attracting practitioners into doctoral programs and academic careers (e.g., ACAP 2008; Ruff et al. 2009; Trapnell et al. 2009). To complement this literature, we provide a current assessment of selected practitioners’ perceptions of academic careers. We caution that views expressed by the 30 interviewees in this study may not be representative of the population; however, many of the views expressed are quite consistent across individuals.

As the quote above suggests, practitioners’ perceptions of academia may be inconsistent with the traditional academic model and with the views of many academics. While some readers may disagree with certain perceptions presented in this article, our purpose is to identify such perceptions and then to discuss their implications for attracting practitioners into doctoral programs and academic accounting careers. Overall, the interview results suggest that many practitioners are unclear about the value of the Ph.D. in accounting, and that some have very limited information about the shortage of accounting Ph.D.s and the nature of academic accounting careers. We encourage readers to view the specific results of the study and related quotes in the context of interviewees who may question the value of the Ph.D. and have limited information about academia.

Based on semi-structured interviews of practitioners in public accounting or industry (a convenience sample), we find that most interviewees have considered an academic career, and that they believe that there are many important advantages of such careers. However, most interviewees see the Ph.D. as a significant hurdle, and many question the value of the Ph.D. The interviewees significantly underestimate the typical compensation for accounting professors, and they indicate the need for very high levels of financial support in order to pursue a Ph.D. full-time. One interviewee, who is now in a doctoral program, captured some of the key insights:

The world of academia does not place much value on professional experience and teaching. The focus is on research, publishing, and formality (i.e., hierarchy and bureaucracy), which makes it very difficult for a practicing professional to make the transition [to academia]. I am in a Ph.D. program now with people much younger than me with no practical experience, and have found that my CPA and practice credentials do not count for anything in this environment. It can be frustrating to start your career over again from scratch. I do not know why the system is built this way, but our students and profession should demand change.

BACKGROUND AND RESEARCH QUESTION

The shortage of accounting and auditing faculty is well documented and has been the subject of significant recent research and discussion (e.g., Association to Advance Collegiate Schools of Business [AACSB] 2002, 2003; Marshall et al. 2006; Myers 2006; Plumlee et al. 2006; ACAP 2008; Behn et al. 2008; Carcello 2008; Leslie 2008; Ruff et al. 2009; Trapnell et al. 2009; Beyer et al. 2010). The ACAP summarized the current state of the accounting faculty shortage in its discussion of Human Capital Recommendation 3 (2008, VI:18–VI:19):

Recommendation 3. Ensure a sufficiently robust supply of qualified accounting faculty to meet demand for the future and help prepare new entrants to the profession to perform high quality audits.
The Committee heard testimony from individuals regarding the need to have an adequate supply of faculty with the knowledge and experience to develop qualified professionals for the increasingly complex and global auditing profession.

The Committee recognizes that there is a high level of concern about the adequacy of both the near- and the long-term supply of doctoral faculty, especially given the anticipated pace of faculty retirements.

In terms of specialization within the accounting discipline, an AAA study (Plumlee et al. 2006) concluded that only 22 percent and 27 percent of the projected demand for doctoral faculty in auditing and tax, respectively, will be met by expected graduations in the coming years.

In addition to the accounting faculty supply issues, the Committee heard testimony from witnesses on the need to ensure faculty are qualified and able to teach students the latest market developments, such as fair value accounting, IFRS, and XBRL. The Committee learned that often new accounting faculty may have little practical experience.

In response to such concerns, the ADS Program was formed to begin to address the faculty shortage in auditing and tax (see Ruff et al. 2009). The ADS website (http://www.adsphd.org/aboutus.asp) states:

In response to the growing shortage of academically qualified university accounting faculty members, especially those with recent experience in the practice of auditing and tax, concerned practitioners, leaders from over 70 of the largest firms and over 45 state CPA societies have joined together to fund the Accounting Doctoral Scholars (ADS) Program. Sponsors have committed financial support totaling over $17 million over an eight-year period for the Program.

With so much focus on attempting to attract practitioners into academic careers, we believe that it is important to understand practitioners’ perceptions of academia, as their perceptions likely play an important role in whether practitioners will seriously consider careers in academia. Therefore, our fundamental research question is, “How do practitioners perceive academic accounting careers?” In the “Results” section, we organize our presentation as follows: (1) consideration of an academic career in accounting, (2) perceptions of accounting academia, (3) pursuing an academic career, and (4) variations in responses based on years of experience.

**METHOD**

We interviewed 30 practitioners in public accounting or industry during March and April of 2010.\(^1\) The interviewees were identified in four ways. Access to the interviewees was provided by (1) a partner from one of the Big 4 accounting firms, (2) a partner from a large regional accounting firm, (3) a partner from a small regional accounting firm, and (4) an accounting faculty member not participating in the research project (he suggested former students in public accounting or industry who had graduated at least three years ago). In the case of partner referrals, these individuals were asked to participate by the partner though an email.\(^2\) The partner stressed that participation

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\(^1\) One of the interviewees is now enrolled in a Ph.D. program. Also, the use of 30 interviewees is consistent with Bellovary and Johnstone (2007) and Dickins et al. (2008).

\(^2\) Specifically, the partner from the Big 4 firm sent an email to all of the accountants in his practice area (healthcare auditing), the partner from the large regional firm sent an email to all of the accountants in his home office (which included tax and audit professionals), and the partner of the small regional firm sent an email to all of the accountants in his firm (which included tax and audit professionals).
was voluntary and confidential. Interested participants were asked to email the interviewing co-author to schedule an interview. Individuals suggested by the faculty member were first emailed by that faculty member and asked if they were willing to be interviewed for the study. If they responded that they were willing to be interviewed, their contact information was provided to the interviewing co-author to schedule an interview.

All interviews were conducted over the telephone. The average length of the interviews was 41 minutes; the shortest was 22 minutes and the longest was 65 minutes. We used an outlined list of questions, and the interviewing co-author (the same person conducted all 30 interviews) took detailed notes on a computer. The interview method is similar to Bellovary and Johnstone (2007) and Dickins et al. (2008).^3^ Upon completion of the 30 interviews, the interviewing co-author compiled all of the interview notes into a data set and then summarized each interviewee’s responses for the other co-authors.\(^4\) The interviewing co-author also compiled key “quotes” from the interviewees.\(^5\) A second co-author coded all of the data in a spreadsheet, creating categories of responses and frequencies. The interviewing co-author then reviewed all of the coding, and these two co-authors resolved some minor differences in coding judgments.

### RESULTS

**Interviewee Demographics**

As shown in Table 1, the interviewees are diverse in their age, experience, and current job title. On average, they are in their late 30s, with significant practical experience. However, relative to doctoral students surveyed by the Deloitte Foundation (2007) at a recent AAA doctoral consortium, the interviewees are, on average, somewhat older and more experienced.\(^6\) Overall, the interviewees provide a cross-section of different ages and experience levels; in a subsequent section, we explore how perceptions vary between less experienced and more experienced interviewees.

Most interviewees are male, married, CPAs, who work in public accounting (53 percent) or industry (47 percent); nearly half have advanced degrees. Finally, some have taught at the university level. Overall, the interviewees appear to have significant accounting training and backgrounds.

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\(^3\) Those authors did not tape record the interviews (nor did Beasley et al. [2009]), and they had one or more authors conduct each interview. Given the simple nature of our research topic and our ability to clarify items during the interviews, we did not ask the interviewees to formally review our interview notes after the interviews.

\(^4\) Summarizing and coding did not involve difficult judgments or interpretations; Hermanson et al. (2011) also had one co-author summarize the data.

\(^5\) These quotes reflect our best effort to capture the exact words spoken by the interviewees. Given the nature of the interview questions, the interviewing co-author did not find it difficult to capture the responses. Also, we have judgmentally placed selected quotes in the most appropriate sections of the paper (i.e., moved them to where the answer best fits into our discussion).

\(^6\) In the Deloitte Foundation (2007) survey, only 16 percent of the students had entered their doctoral program after age 35, and 15.5 percent of the respondents had ten or more years of practical experience.
Consideration of an Academic Career in Accounting

We asked the interviewees whether they had ever considered a career in academia. As indicated in Table 2, many had considered an academic career. For those who had considered it, the most common reasons for not pursuing an academic career were the Ph.D. hurdle, financial issues, currently have a great job, and the need for more practical experience. Thus, the barriers to entering an academic career are considered to be formidable.

For those who had never considered an academic career, the most common reasons were: no interest, never thought about it, never heard about it, and no information. For these interviewees, it appears that they lacked sufficient information about academic careers. Three interviewees commented:

I think it is great that you are doing this research. This is a “black box” for most practitioners, and they are very interested in learning more about how they can teach. In the end, I think the interest is very high, but the academic world needs to embrace experienced professionals who want to transition and make them feel respected and welcome. We are good enough to

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7 Given the convenience sample and nature of identifying interviewees, it is unclear whether the sample is representative. Therefore, we do not assert that most practicing CPAs in the U.S. have considered an academic accounting career.

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TABLE 1
Interviewee Demographics
(n = 30)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean age (range of 24–61; median = 33; std. deviation = 12.05)</td>
<td>36.8</td>
</tr>
<tr>
<td>Mean years of experience (range of 2 – 38; median = 9.5; std. deviation = 11.01)</td>
<td>14.0</td>
</tr>
<tr>
<td>Gender</td>
<td>77% male</td>
</tr>
<tr>
<td>Currently married</td>
<td>60%</td>
</tr>
<tr>
<td>Mean number of children</td>
<td>1.1</td>
</tr>
<tr>
<td>CPA status</td>
<td>80% CPAs</td>
</tr>
<tr>
<td>Currently working in public accounting</td>
<td>53%</td>
</tr>
<tr>
<td>Advanced degrees</td>
<td>43% have Master’s or law degree</td>
</tr>
<tr>
<td>Current title</td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td>8</td>
</tr>
<tr>
<td>Manager</td>
<td>5</td>
</tr>
<tr>
<td>Partner</td>
<td>3</td>
</tr>
<tr>
<td>Vice President</td>
<td>3</td>
</tr>
<tr>
<td>CFO</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>2</td>
</tr>
<tr>
<td>CEO</td>
<td>2</td>
</tr>
<tr>
<td>Othera</td>
<td>4</td>
</tr>
<tr>
<td>Have taught full-time or part-time at a university</td>
<td>13%</td>
</tr>
</tbody>
</table>

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7 Two of these individuals have “manager” or “senior manager” titles, but not in public accounting firms.
contribute our money and hire their graduates, but are treated as second-class citizens if we want to teach—it makes no sense to me.

I do not believe that many practitioners have ever seriously considered a career in academia—no one really has the information.

I have no idea what it would take to become a professor. I have never seen that information. Do you know where I can get it?

We asked the interviewees to indicate their current level of interest in pursuing an academic career, and we coded their open-ended responses using a scale ranging from 6 = very high to 1 = low. The overall mean was 3.4 (median = 3), reflecting moderate interest. In addition, the mode was 3 (moderate interest), followed by moderate/high, high, and low. Overall, it appears to us that some portion of the interviewees might be receptive to considering an academic career.

Perceptions of Accounting Academia

We asked the interviewees about their understanding of the pathway to a career in accounting academia. As shown in Table 3, the dominant response was the need for the Ph.D., followed by practical accounting experience, teaching experience, and financial resources. The interviewees appear well aware of the requirement for the Ph.D.

We asked the interviewees to indicate the credentials and abilities that best enable an accounting professor to be an effective teacher and provide value to the students and the profession. The two dominant responses were practical accounting experience (on average, the
TABLE 3
Perceptions of Accounting Academia
(n = 30)

What is your understanding of the pathway to a career in accounting academia? Most commonly mentioned items:
- Ph.D. 27
- Practical accounting experience 6
- Teaching experience 5
- Financial resources 4
- Publications 3
- Master’s degree 2

What credentials and abilities do you feel are most important for an accounting professor to have to best enable him/her to be an effective teacher and provide value to the students and the profession? Most commonly mentioned items:
- Practical accounting experience (on average, interviewees stated that professors should have at least 7.7 years of practical experience) 30
- CPA 29
- Teaching ability, interpersonal and communication skills 18
- Master’s degree 18
- Ph.D. 6
- Research skills 2
- Organizational skills 1

What are your perceptions of the benefits of a career in accounting academia? Most commonly mentioned items:
- Fewer hours, balance, quality of life 15
- Satisfaction, giving back, helping students 14
- Flexibility 12
- Student interaction and teaching 12
- Stay current, professional development, knowledge, research 8
- Work environment 7
- Develop future of profession, next generation 5
- Opportunity for consulting 2

What are your perceptions of the barriers to/disadvantages of a career in accounting academia? Most commonly mentioned items:
- Ph.D. 29
- Compensation (too low) 12
- Research and publishing requirements 5
- Lack of knowledge about how to transition to academia 4
- Student issues 2
- Accounting faculty too specialized, lose overall view of accounting 2

How much do you think a full-time, tenure-track accounting professor at an AACSB-accredited institution is paid per year?
- Mean $87,586
- Range $50,000–$150,000

The questions were open-ended, and we analyzed the responses to create the categories. Interviewees often mentioned more than one item, thus making the total number of responses greater than 30.
interviewees believe that professors should have at least 7.7 years of practical experience in order to be effective teachers) and a CPA.

The majority of interviewees also cited teaching ability, interpersonal and communication skills, and a Master’s degree. Only six interviewees cited the Ph.D., and two cited research skills. Several interviewees commented further on the importance of practical experience:

Practical experience is the most important qualification that a professor can have. The best ones I remember had this, and I learned so much from them, as opposed to others with little to no experience.

Practical experience from the real word should be required to teach. The disconnect between the real world and academia is significant.

Someone should do some research on the effectiveness of professors with professional experience versus ones with little professional experience. I bet you would find a huge difference.8

The best professors have a balance between practice and academics; however, very few have this mix. Parents and students invest a lot in education, and they deserve quality education that combines practice from professionals and theory from academia. Academia has missed the boat on training the students in effective communication. I think this is due to a lack of professors who know how to interact with professionals every day. This is where practitioners are strong and can help. I present to clients, CFOs, CEOs, boards, audit committees, SEC, IRS, and others. Most professors cannot say that, so it is obvious to me why our new hires cannot communicate.

The current educational system is not aligned with what the profession needs. I see value in a Ph.D. degree, but there should be equal value placed on the CPA, CMA, and experience.

The interviewees’ focus on practical experience is consistent with the views expressed in the ACAP report (2008, VI:20):

The Committee sees benefits to the increased participation of professionally qualified and experienced faculty, who would bring additional practical business experience to the classrooms, and notes that witnesses and commenters have underscored the benefits of professionally qualified and experienced faculty. Therefore, the Committee recommends that accrediting agencies continue to actively support faculty composed of academically and professionally qualified and experienced faculty.

In addition, Marshall et al. (2010) surveyed doctorally qualified U.S. accounting faculty and found that the respondents placed a strong emphasis on practical experience as a contributor to faculty expertise. Surveyed faculty also indicated that doctoral study plays an important role, especially in research and in passing along a broad set of skills to students (e.g., critical thinking, communications, teamwork).

The interviewees cited several perceived benefits of an academic accounting career, with the following benefits most commonly mentioned: fewer hours, balance, quality of life, satisfaction, giving back, helping students, flexibility, student interaction, and teaching. Many of these

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8 Consistent with this conjecture, in an experimental study with student participants, Mounce et al. (2004) found that a professor’s practical accounting experience was associated with higher perceived teaching quality.
advantages are consistent with Meyer and Titard (2000) and Hermanson (2008). Newell et al. (1996) found that the majority of accounting academics entered academia for the lifestyle. Similarly, the Deloitte Foundation (2007) survey indicated that nearly one-third of doctoral students cited lifestyle as the most important reason for their pursuit of a Ph.D. in accounting. Two interviewees described the advantages:

The lifestyle and self-satisfaction a professor must get are very appealing to me. I think that many professionals are envious of that. They are not in that type of role.

Working with students and giving back knowledge must be one of the most rewarding things that you can do professionally.

We also asked about the barriers to/disadvantages of a career in academia. Overwhelmingly, the Ph.D. is considered to be the major barrier. Several interviewees expressed some degree of frustration with the barriers to an academic career:

I am an active adjunct with outstanding student reviews. For the past five years, I have been trying to figure out a way to transition into academia on a full-time basis. I have had a very successful career as a CPA and have not ever encountered such an unreasonable challenge. In order for me to transition under the current model, I would not be able to support my family because of the doctorate degree requirement. It makes no sense to me that someone with my experience, qualifications, teaching abilities, and passion to teach is so undervalued in the current system. The profession, students, and their parents are the customers of education, yet they seem to have little to no say in who is qualified to teach. I think it is an utter tragedy to our profession that needs to be fixed.

In the current environment, the most logical and qualified pool of people to teach is excluded and treated like second-class citizens. CPAs with experience can do a better job in teaching accounting to the students than someone with a Ph.D. and no practical experience.

I am a partner at one of the largest and most respected firms in the world. I am a CPA, and I know how to teach, having instructed internal programs for years. Why is someone like me not welcomed to teach at a university and treated with the proper level of respect? When I looked into teaching, I was offered to be an adjunct and be paid $2,500 a course. They must be joking.

I have been an adjunct and the pay is a disgrace. I use the $3,000 I get to have my kids go to camp. I also know that full-time professors with a CPA and years of practice only make about $80,000, while Ph.D.s with no CPA or experience make $125,000. I was in shock when I found that out. This accounting professor shortage is completely self-inflicted and could be resolved overnight if the accrediting bodies did the right thing by recognizing the CPA and experience. I sign off on the financial statements for billion-dollar public companies, yet I am not as qualified to teach as a new Ph.D. In the end, the students and profession get hurt. We should not tolerate it.

In addition, several interviewees indicated that they do not understand the focus of an accounting Ph.D. program, or what value it adds:

I am not sure what you learn as a Ph.D. or what it adds. I am a CFO for a public company and feel that I know enough to teach. I cannot think of what else I would study as a Ph.D.
I do not understand what they teach you in an accounting Ph.D. program that you would not already know with a CPA and 23 years of experience. Accounting is defined through GAAP. We practitioners not only know GAAP, but we know how to apply it and what the day-to-day issues are in the field. We also know how to communicate with our clients and are customer-focused. What else is there to know to teach?

I do not know what a Ph.D. in accounting would do. I would not even have considered them to be more valuable than a CPA with experience.

A mix of industry and academic background should be required for accounting professors. Industry experience should include a CPA, CFA, or CMA, and 5–10 years of experience. Academic background should include at least a Master’s. I am not sure what additional value a Ph.D. adds—it would look good on a resume, but I do not know what value it would add in the classroom.

As discussed in the concluding section, it appears that there is great opportunity for improvement in sharing relevant accounting research with practitioners and students. Such efforts could significantly enhance practitioners’ understanding of the value of the Ph.D. and academic accounting research.

In addition to the Ph.D., practitioners cited low professor pay as a significant disadvantage of an academic career. To further understand their perceptions of professor compensation, we asked the interviewees, “How much do you think a full-time, tenure-track accounting professor at an AASCB-accredited institution is paid per year?” The mean response was $87,586, with a range of $50,000–$150,000. One interviewee elaborated:

Getting all of that additional education to make $80,000 a year is not that attractive. Although I think I would like to teach, I need to support my family.

According to the AASCB (2010), the mean nine-month salary for new Ph.D.s in accounting (across all types of U.S. universities, both accredited and nonaccredited, public and private) was $128,000 for 2009–2010. Thus, even the base pay for new faculty is far above the estimates provided by the interviewees, and summer teaching or research support would make the difference even larger. It is clear that many practitioners do not have sufficient information about the financial rewards of an academic accounting career, and this lack of knowledge could affect the future supply of accounting doctorates.

Pursuing an Academic Career

In the final portion of the interviews, we asked about the feasibility of either part-time or full-time doctoral study. As shown in Table 4, if the interviewees pursued a part-time doctorate and maintained their current positions, they perceived that they could devote an average of 10.7 hours

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9 We note that many experienced faculty members may earn less than new Ph.D.s, as starting salaries often rise faster than existing faculty pay.

10 The potential financial rewards of continuing one’s practice career also are relevant, and we recognize the possibility that some interviewees may not have sufficient information about their income potential as CPA firm partners, for example. We did not gather information on this issue, and we encourage future research.
One interviewee indicated some discussion of part-time study within the firm, and another discussed the need for different approaches to part-time study:

My firm has mentioned the shortage (of accounting faculty) and their willingness to reduce your workload if you wanted to go down that path. I think that there is a program with the AICPA to help also.

Why can’t a high-quality program be created in a flexible format to prepare professionally experienced individuals, such as someone with a CPA and ten years of quality experience, to teach and gain tenure? The world has changed, but academics in accounting have not—if academia was a business, it would be bankrupt for lack of embracing change.

In terms of attending a full-time doctoral program in accounting, on average, the interviewees indicated that they would need to maintain over 80 percent of their current income level during the program. More specifically, of the 29 interviewees who answered this question, 21 (72 percent) indicated that they would need to maintain 100 percent of their current income, four would need 75–80 percent, and four could proceed with no income (these four individuals were 52–61 years old). Thus, except for four older individuals, all of the interviewees indicated that they would need to maintain the vast majority of their current income, a scenario that is very unlikely given current financial support levels for doctoral study. Two recent surveys (AAA/APLG/FSA 2007; Deloitte

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**TABLE 4**

**Pursuing an Academic Career**

\(n = 30\)

| How much time could you spend per week to obtain a part-time accounting Ph.D./D.B.A. (if you maintained your current position while pursuing the degree)? |
| Mean |
| 10.7 hours per week |

| How much annual financial support would you need to complete an accounting Ph.D./D.B.A. (if you left your current job and pursued the degree full-time)? |
| Mean % of current income needed to be maintained (\(n = 29\); one person did not answer) |
| 82.9% |

| Portion of Ph.D. tuition needed to be covered by university or others (\(n = 29\)): |
| All |
| Most |
| Half |
| Some |
| None |
| Need support similar to Accounting Doctoral Scholars (ADS) program or even greater |
| 2 |
| 3 |
| 3 |
| 9 |
| 9 |
| 3 |

The questions were open-ended, and we analyzed the responses to create the categories.

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11 The authors are aware of one university with a part-time doctoral program in accounting that informs its students to expect to devote 20–30 hours per week to the program. Thus, the interviewees’ availability is far below the expectations of even a part-time program.
Foundation 2007) found that the majority of accounting doctoral students received university cash stipends of $20,000 or less per year. Very few students received more than $25,000. While the ADS and other programs provide additional support to some students, these programs are extremely competitive.\textsuperscript{12}

The interviewees' need for tuition support was moderate, and tuition waivers are very common for accounting doctoral students (AAA/APLG/FSA 2007; Deloitte Foundation 2007). Two interviewees provided insight into the barriers to transition into academia:

I would love to teach full-time, but I have a family and a mortgage and cannot afford to make the change required with the Ph.D. I am a partner in a large firm and feel I am qualified.

I would transition immediately if I could. I have significant public accounting experience, am an active CPA, and a CFO with an M.B.A. It is insulting to be told that I am not qualified to teach in a tenure-track position without a Ph.D. How does it make sense that a 25-year-old Ph.D. with no experience or CPA or interpersonal skills is more qualified than someone like me? When I received my B.S. degree 20 years ago, it was not like it is now—we had great professors with experience. Why has this changed?

Variations in Responses Based on Years of Experience

As noted above, the interviewees, on average, are older and more experienced than doctoral students attending a recent AAA doctoral consortium (Deloitte Foundation 2007). To provide initial insights into variations in responses based on years of experience, we split the data at the median of 9.5 years of experience. Several apparent differences emerge between interviewees with more experience versus less experience, and we call for additional research using larger samples.\textsuperscript{13}

First, in Table 2, more experienced individuals were much more likely to cite the Ph.D. hurdle as a reason for not pursuing a career in academia, after considering such a career. Nine of the 11 individuals who cited this factor were more experienced. On this same question, those with less experience were the only five individuals to cite the need for more practical experience before pursuing an academic career. Thus, less experienced interviewees were more concerned about not having enough practical experience, but less concerned about the Ph.D. hurdle.

Second, there were several differences found in Table 3. In terms of the pathway to a career in academia, five of the six individuals who cited practical accounting experience were less experienced people. Regarding important credentials and abilities for professors, more experienced individuals were more likely to cite teaching ability, interpersonal and communication skills (11 of 18 people citing this were more experienced), and a Master's degree (12 of 18 were more experienced). Less experienced individuals were more likely to cite the Ph.D. (five of six were less experienced). Perceptions of the benefits of an academic career also varied with experience. More experienced individuals were more likely to cite fewer hours, balance, quality of life (nine of 15 were more experienced), and develop future of profession, next generation (four of five were more experienced). Conversely, less experienced individuals were more likely to cite student interaction and teaching (eight of 12 were less experienced).

\textsuperscript{12} For example, those chosen as ADS Program Scholars have an average GMAT of 718 (http://www.adsphd.org). Also, the $30,000 annual ADS funding, even when added to university support, still may not get some potential students close to their current income level.

\textsuperscript{13} Given the small sample sizes involved, we do not perform formal statistical tests except as noted. As a result, readers should view these findings as suggestive of actual differences.
Finally, in Table 4, there were two interesting differences. The mean percentage of current income that individuals would need to maintain during doctoral study was 70 percent for more experienced people and 95 percent for those with less experience (difference is significant at $p < 0.05$). Also, less experienced individuals indicated the need for greater tuition assistance than did more experienced individuals. Overall, less experienced interviewees appeared to be more focused on generous financial support during the doctoral program.

**DISCUSSION AND CONCLUSION**

We interviewed 30 practitioners in public accounting or industry to gain insights into their perceptions of careers in academia. The good news is that most of the interviewees had considered an academic career, and they believe that academic careers have many favorable attributes (e.g., lifestyle, satisfaction, and flexibility). On the negative side, the Ph.D. is viewed as a major hurdle, and one that offers limited value in the eyes of many practitioners. In addition, the interviewees substantially underestimated professor compensation, and they indicated the need for very high levels of financial support to pursue a doctorate full-time.¹⁴

We believe that there are four main implications of our results. First, it is important to ensure that interested practitioners have access to information about the realities of academic life. Encouragingly, we see a literature emerging in this area, including work by Stone (1996), Myers (2006), Hermanson (2008), Bergner (2009), and Beyer et al. (2010). Each of these articles offers insights into the nature of accounting academia—lifestyle, challenges, opportunities, typical compensation, etc.¹⁵ Workshops on academia and the transition process could be organized around the findings reported in these papers and offered at professional accounting conferences and meetings by university deans and faculty who have made the transition. The more that practitioners know about academic careers, the more informed decisions they can make.¹⁶

Second, it appears to us that the academic community still has important work to do in demonstrating the value and impact of our research to the professional community. This will involve bridging the gap between accounting professional practice and academically focused accounting research, which often is embedded in theories and methods from economics or psychology. A number of interviewees questioned the value of the Ph.D. and the pathway to tenure in academia—in essence, these interviewees believe that the academic accounting model should change. Many interviewees appeared to view the role of professors only in terms of teaching, not in terms of generating new knowledge through research and then bringing this new knowledge into the classroom.¹⁷ We believe that better demonstrating the value of research to practitioners,

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¹⁴ Although this study is focused on accounting academia and is motivated by the current shortfall in academically qualified accounting professors, the findings may be applicable to other business school disciplines that face similar challenges. We encourage additional research by these other disciplines to determine if the findings from this study are applicable.

¹⁵ One of the co-authors teaches the capstone course in his university’s Master’s of Accounting program. This co-author conducts a classroom session on academic careers and assigns some of the readings referenced here to his students. He has found increasing student interest in academic careers, with some former students now applying to doctoral programs.

¹⁶ We are aware of at least one Big 4 firm that has provided information to its retired partners regarding university teaching opportunities.

¹⁷ One co-author is currently enrolled in a part-time doctoral program that is designed for experienced professionals. He has observed that his classmates’ appreciation of the value of research has increased markedly during the program.
accounting department advisory boards, and students would serve, among other things, to attract more practitioners into academic careers and to convey the importance of building research skills in the doctoral program. Bringing research into the classroom also may enhance student learning, as well as student appreciation for academic life and academic contributions to accounting knowledge. We refer interested readers to Moehrle et al. (2009) for a comprehensive analysis of the significant impact of academic research on accounting and auditing practice. We encourage similar efforts in the future.

Third, there are two financial issues central to the decision to enter an accounting doctoral program—financial support during the doctoral program and the expected salary for new professors. The interviewees’ perceptions of both of these financial issues were arguably unrealistic. The interviewees’ stated needs for financial support during the doctoral program were unrealistically high, with most interviewees indicating the need to preserve 100 percent of their current income. In addition, the interviewees’ estimates of professor pay were far too low. While many point to increased funding for doctoral study as a solution to the faculty shortage (e.g., Deloitte Foundation 2007), we believe that the need for high levels of funding could be reduced somewhat if practitioners understood the salaries awaiting new Ph.D.s in accounting (thus enabling potential students to adopt an informed, long-term view of the costs and benefits of doctoral study). Thus, providing information about academic salaries and benefits could help to generate additional interest in academic accounting careers among practitioners. We also note that academia only needs to attract a very small percentage of practitioners into doctoral programs in order to solve the faculty shortage. Thus, the financial calculus needs to be viable for only a relatively low number of qualified practitioners.

Finally, beyond enhanced financial resources, we encourage additional thinking about creative ways to increase the supply of academically qualified accounting and auditing faculty. One solution may be more flexible, but still rigorous, doctoral programs, especially for practitioners with significant practical experience who are not targeting Research I institutions for employment. We can envision a future where there are different types of accounting doctoral programs, with varying emphasis on basic research, applied research, and the scholarship of teaching. Such programs would seek very different placements for their graduates, but all would be producing “academically qualified” faculty. In addition, we refer interested readers to Trapnell et al. (2009) for six creative recommendations for change, as well as Carcello (2008) for a discussion of the auditing faculty shortage and a possible move toward professional schools of auditing.

Going forward, we encourage additional research into practitioners’ perceptions of academia using larger and potentially more representative samples. For example, a broad-based survey of practitioners could serve to overcome a key limitation of the present study, the small convenience sample necessitated by the interview approach. We also encourage research into the perceptions of accounting faculty versus business school administrators regarding the accounting faculty shortage, especially in auditing and tax. While the shortage is apparently a significant concern for administrators, accounting faculty, who may benefit from the low supply of competitors, may view the shortage quite differently and may not be motivated to help increase the supply.

It is clear to us that many practitioners have some interest in an academic career; however, certain negative perceptions of academic life may lead them to dismiss an academic career. We believe that it is critical to continue efforts to attract practitioners into doctoral programs and full-time academic careers to help meet the shortage of accounting and auditing faculty.
REFERENCES


